

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5756-02  
Bill No.: SCS for HB 1713  
Subject: Labor and Management; Federal - State Relations  
Type: Original  
Date: May 15, 2014

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Bill Summary: This proposal would modify certain provisions relating to the Shared Work Unemployment Compensation Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Unemployment Insurance Trust	\$2,500,000	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 288.500, RSMo. - Shared Work Unemployment Compensation Program:

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assumed a previous version of this proposal would amend Missouri's shared work law to bring it into compliance with federal law, and note if the changes are not enacted, the shared work program in Missouri would cease to exist on August 22, 2014.

The DOLIR response included an estimated amount of \$2.5 million in additional federal reimbursement for the program if this proposal is implemented.

DOLIR officials assumed some of the workers currently enrolled in the shared work program would be laid off if the state program is not continued. Those laid-off workers' benefits would then be paid from the Missouri Unemployment Insurance Trust Fund and the state would not be eligible for federal reimbursement of the costs. DOLIR officials also stated the federal program is only available until February, 2015; the additional reimbursement would end at that time. There would be no fiscal impact in FY 2016 or FY 2017 unless the federal program is extended.

**Oversight** notes this proposal would extend the life of an existing program and will include the fiscal impact for continuation of the program.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed a previous version of this proposal may impact the Unemployment Insurance Trust Fund, but would likely result in no net change. BAP officials assumed the fund would be paying out more benefits but would also be receiving more federal reimbursement for those benefits. BAP officials also noted the Unemployment Insurance Trust Fund is outside the state treasury so there would be no impact to Total State Revenues.

ASSUMPTION (continued)

Bill as a whole responses

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of Administration - Division of Personnel** assume this proposal would have no fiscal impact to their organization.

Officials from the **Office of Administration - Division of Accounting and Information Technology Services Division**, and the **Department of Economic Development - Division of Wage Determination, Missouri Housing Development Commission, and Public Service Commission** assumed a previous version of this proposal would have no fiscal impact to their organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
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**UNEMPLOYMENT INSURANCE  
TRUST FUND**

Revenue - DOLIR

Additional federal reimbursement

Section 288.500	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON  
UNEMPLOYMENT INSURANCE  
TRUST FUND**

	<u><b>\$2,500,000</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015	FY 2016	FY 2017
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	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

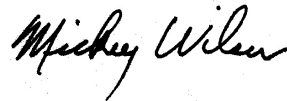
FISCAL DESCRIPTION

The proposed legislation would extend the Shared Work Unemployment Compensation Program, and includes an emergency clause.

This legislation is federally mandated, but would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of Administration  
    Division of Budget and Planning  
    Division of Personnel  
Department of Economic Development  
Department of Labor and Industrial Relations



Mickey Wilson, CPA  
Director  
May 15, 2014

Ross Strobe  
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May 15, 2014